(e) whether at the time of withdrawal of funds from N.S.S. Account by an individual, will his total income (including the amount to be withdrawn from N.S.S. during the relevant financial year) be not taken into consideration;

(f) whether such total income is eligible for tax concession, tax rebates, standard deductions etc; and

(g) if so, what are the details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Withdrawal will be permitted only once in a year, provided that the amount of the withdrawal shall not exceed the balance at the end of the fourth proceeding financial year, less withdrawal if any, already made.

(b) Yes, Sir. Tax is deducted at source at the rate of 20 per cent at the time of withdrawals from National Savings Schemes to which Section 80 CCA of the Income Tax Act was applicable, provided the amount withdrawn in a financial year exceeds Rs. 2500. The amount of tax deducted at the aforesaid rate of 20 percent is to be further increased by a surcharge at a rate of 12 per cent of such tax. However, no such deduction shall be made if the amount of withdrawal in a financial year is less than Rs. 2,500/-. However, if a depositor dies, no deduction is made, if the legal heir withdraws the deposit.

(c) The amount withdrawn from the National Savings Scheme to which Section 80 CCA applies, together with interest is chargeable to income-tax in the year in which the amount is withdrawn. Accordingly, tax is deducted at source under section 194 EE in order to prevent non-reporting or evasion of this income.

(d) and (e) No tax will be deducted at source if the individual furnishes to the Post Office a declaration in Form 15-I (Under Section 197 A) declaring that his estimated total income is below the exemption limit. In any case, tax deducted at source is not the final withholding tax and a person can claim refund of the amount by which the tax already deducted exceeds the tax payable. For purposes of tax deduction at source, only deposits made in National Savings Scheme, 1987 and interest thereon will be relevant.

(f) and (g) Yes, Sir. The total income for the purpose of determining whether a tax payer's estimated total income is below the exemption limit, takes into account tax concessions, tax rebates, standard deduction etc. The tax deduction at source applicable in respect of deposits in N.S.S., 1987 in terms of Sec. 194 EE of the Income Tax Act is not applicable in respect of NSS, 1992.

SEBI approval to private mutual funds

2565. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is the number of private mutual funds that have been granted approval by the SEBI (Securities and Exchange Board of India) to the sponsors of mutual funds in the private sector;

(b) what is the estimated amount involved in this private mutual fund;

(c) whether they will have to set up separately the asset management companies and constitute Boards of Directors, Board of Trustees etc; and

(d) if so, how many of them have so far done that and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The Securities and Exchange Board of India has so far granted approval, in principle, to 14 sponsors of mutual funds in the private sector to set up mutual funds in accordance with the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations 1993.

(b) It is not possible at this stage to estimate the amount of resources likely to be mobilised by these mutual funds since the mobilisation of funds depends on market conditions and perception of the investing public.

(c) and (d) The sponsors of the private sector mutual funds who have been given approval, in principle, will have to set up separate asset management companies, constitute Boards of Directors of asset management companies, set up Boards of Trustees/Trustee companies, appoint custodians and execute the necessary documentation including the memorandum and articles of association of the asset management companies, trust deeds investment management agreements etc. in accordance with the provisions of SEBI's mutual funds regulations. The sponsors are in the process of completing the necessary formalities.

Regional offices of the National Housing Bank

2566. SHRI CHATURANAN MISHRA:
SHRI GAYA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that the regional offices of the National Housing Bank at Bhopal, Lucknow and Madras have since been closed;

(b) if so, the details thereof and reasons therefor; and

(c) what are the details of the losses incurred by the bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) National Housing Bank had proposed to open regional offices at Bhopal, Lucknow and Madras. However, after a review, National Housing Bank felt that the above offices may not be opened for the present.

2567. [*Transferred to 20th August 1993.*]

Cheating by Janpriya Finance and Industrial Investment (India) Ltd.

2568. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Janpriya Finance and Industrial Investment (India) Limited which had its branches at Simla, Delhi and in other major cities has wound up their offices after duping the policy holders of crore of rupees and has now been functioning with a new name from Delhi but with same Telephone No. 7776360;

(b) if so, the steps taken by Government to ensure the refund of amount from this company to the policy holders; and

(c) steps taken by Government to check activities of such cheating companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR